WEEKLY ECONOMIC REVIEW

NOVEMBER 25, 2005

Alberta's farm cash receipts declined 2.4 per cent in the first nine months of 2005, as compared to the same time period in 2004. Lower crop receipts (-11.4 per cent) and program payments (-15.0 per cent) outweighed the gain in livestock receipts (+7.9 per cent). Nationally, farm cash receipts were up 3.1 per cent, including a 17.8 per cent increase in program payments.

In recent weeks, the Liberal government has announced a flurry of spending increases and tax cuts, including an increase in the dividend tax credit to 'level the playing field' between corporations and income trusts. Canada's official opposition party has tabled a no-confidence motion to bring down the Liberal minority government, which will be voted on Monday. If the motion passes, the current minority government will fall, an election will be held in early January and the recent spending and tax announcements would dissolve along with parliament.

The Canadian dollar regained strength vis-à-vis the U.S. dollar this week, as markets welcomed the Canadian government's proposal to increase the dividend tax credit. The loonie was trading above 85 cents US on Friday morning.

Cdn Dollar (C¢/US$)

Nov 25, 2005	85.5¢
Nov 18, 2005	84.0¢
2005-06 YTD	82.5¢

WTI Oil SUS/bbl

Nov 23, 2005	$58.71
Nov 17, 2005	$56.34
2005-06 YTD	$58.82

Nymex Natural Gas CS/mcf*

December Contract

Nov 25, 2005	$13.58
Nov 18, 2005	$13.57

*Estimate based on Nymex Futures Market Price

Canada's October inflation rate (2.6 per cent) eased as the price of gasoline fell from record highs in September. With core prices remaining stable and the Canadian economy operating at full capacity, markets expect an increase in interest rates at the Bank of Canada's December 6th meeting.

Chinese demand for oil is up 3.6 per cent in the first ten months of 2005, to 6.11 million barrels a day. This is significantly below the 15 per cent surge in demand seen in 2004, but is the result of an increase in the use of readily available coal products. Nonetheless, Chinese oil demand continues to be strong, with October demand up 5.4 per cent from a year ago.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Consumer Price Index (1997=100)	**October**			
Alberta	136.2	-0.3%	3.5%	2.1%
Canada	128.5	-0.5%	2.6%	2.3%
Retail Trade ($ millions)	**September**			
Alberta	4,152	-0.8%	12.9%	12.7%
Canada	30,859	-0.9%	5.5%	6.9%
Farm Cash Receipts ($ millions)	**3rd Quarter**	**Quarter/Previous Quarter**	**Quarter/Previous Year's Quarter**	**Year-to-date[1]**
Alberta	1,687	-16.6%	-8.6%	-2.4%
Canada	8,287	-13.5%	-0.7%	3.1%

Source: Statistics Canada

[1]Year-to-date 2005 compared to the same time period in 2004. For example: January-September 2005 versus January-September 2004